

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 96-0369

**Individual Income Tax
Calendar Year 1991**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUE(S)

I. Adjusted Gross Income – Lump Sum Retirement Payment

Authority: IC 6-3-1-3.5

Taxpayer protests the inclusion of lump sum pension income subject to tax.

STATEMENT OF FACTS

Taxpayer, in various letters and telephone conversations protests additional tax assessed from Federal form CSA1099R. Taxpayer filed its 1991 Indiana return without the lump sum annuity but filed with the Internal Revenue Service. Through the exchange of information, the department was made aware of the discrepancy and billed the taxpayer. Taxpayer insists that the amount was taxed by the state of Indiana.

In a letter dated January 9, 1996, the department explained that the gross annuity was reported to the Internal Revenue Service, therefore the same applies to Indiana. Further explanation indicated that taxpayer was advised that normally, monies that are contributed to a retirement fund are not taxed at the time it is contributed but rather at the time the money is withdrawn. On January 5, 1998 the taxpayer was advised to pay or provide proof that the Internal Revenue Service had accepted an amended return. On August 5, 1998 and October 9, 1998 the taxpayer was advised that payment be made as collection activity would resume. No response was forthcoming, therefore, the letter of finding is written.

I. Adjusted Gross Income – Lump Sum Retirement Payment

DISCUSSION

Taxpayer protests the inclusion of lump sum retirement monies in taxable income.

Taxpayer states the lump sum retirement money has already been taxed by the state but has not provided proof. Taxpayer reported the gross amount to the Internal Revenue Service upon which the

department made its adjustment. No amended return was filed with the Internal Revenue Service until the statute had run. The Internal Revenue Service did not allow the filing of the amended return.

The department has no proof that the lump sum monies were previously taxed therefore the protest is denied.

FINDING

Taxpayer's protest is denied.